GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2569
ANSWERED ON:18.08.2006
PLASTIC CURRENCY NOTES
Mishra Dr. Rajesh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether some countries have issued the plastic currency for circulation in their country;

(b) if so, the details thereof;

(c) whether Reserve Bank of India propose to print plastic currency notes of higher denomination to check fake currency notes in circulation in the country;

(d) if so, the details thereof; and

(e) if not, the steps Government have taken or propose to take to check fake currency notes in circulation ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.K.BANSAL)

(a)& (b): Yes, Sir. As per the information furnished by Reserve Bank of India, the following countries have issued the polymer substrate based banknotes for circulation in all denomination/some denomination: 1.Brasil 2.Mexico 3.Bangladesh 4.Indonesia 5.Malaysia 6 New Guinea 7.Zambia 8. Romania 9.Brunei 10.Nigeria 11. Singapore 12.Nepal 13.Australia 14. New Zealand and 15 Vietnam.

(c)& (d): There is no move to print plastic currency notes of higher denominations to check fake currency notes in circulation. However, Reserve Bank of India is looking at various options including polymer substrate based currency from point of view acceptability and cost effectiveness.

(e): The steps taken by the Government to curb circulation of Fake Indian Currency Notes in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Further, based on the recommendations of an Expert Committee, additional security features have been incorporated in the Indian Bank notes which will make counterfeiting very difficult. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal agency to monitor investigation of fake currency note cases.